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TAGS: [EAGR](#) [ETRD](#) [EFIS](#) [TW](#)  
SUBJECT: DIRECTOR'S MEETING WITH COA CHAIRMAN SU: CCA AGENDA AND  
FISHERIES MOU

REF: TAIPEI 00908

SENSITIVE BUT UNCLASSIFIED

¶1. (SBU) Summary. On April 24, Director Young met with Council of Agriculture (COA) Chairman Su Jia-chyuan to review a number of issues, including the status and plans for the Consultative Committee on Agriculture (CCA). Noting recent Executive Yuan (EY) approval of the founding documents and imminent signing of those documents in Washington, the Director and Chairman Su agreed the next step is to develop a constructive agenda and suggested a deadline of August to complete that task. Director Young also noted recent progress and cooperation on several key issues, including apples and rice. Chairman Su described ongoing problems with high corn prices and the threat this poses to U.S. corn exporters. In discussing the proposed renewal of the fisheries MOU, COA said it will likely take some time to comply with a number of the requirements raised by the U.S. side. End summary.

CCA: Time to Initiate Agenda Discussion

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¶2. (SBU) Thanking COA for its coordination of the EY clearance process, the Director noted the documents to establish the CCA are now ready for signing in Washington, DC. He also noted that he was recently in Washington and during his meeting with senior USDA officials, confirmed that early fall remains the proposed date for the inaugural meeting of the CCA in Taipei. The Director suggested that both sides begin discussions on an agenda for the meeting and raised the following as proposed topics:

¶A. Outlook for the WTO Doha Round: The Director pointed out that President Bush has expressed U.S. determination to bring the round to a successful conclusion. The Director also said that in his meeting with Vice Premier Tsai earlier that morning, he suggested that Taiwan show its support for the U.S. position and noted U.S. concern over Taiwan's alliance with the G-10. (See reftel)

¶B. Energy Policy, Biofuels, and the Impact on Grain Prices

¶C. Review Results of Recent Bilateral Technical Discussions on Sanitary and Phytosanitary Issues

¶D. Role of Agricultural Biotechnology

¶E. The Cooperative Program on Agricultural Sciences

¶3. (SBU) Director Young also pointed out that this summer's TIFA meeting will include a number of agriculture issues and will help pave the way for this fall's CCA. In response, Chairman Su suggested that AIT and COA each propose suggested agenda items and review these proposals by the end of July with a goal of finalizing the agenda in August. Note: In preliminary meetings held in late February, AIT Ag Chief proposed similar topics for the CCA agenda and COA generally agrees. On item B, COA will likely want to explore

collaborative research and commercial opportunities with USDA and others. In that earlier meeting, there was also agreement that each topic should include an outcome that will guide future cooperation and action. USDA has completed an internal review of topics, so both sides are already fairly far along in the agenda-setting process. End Note.

14. (SBU) Picking up on the WTO Doha theme, Chairman Su said that some blame U.S. domestic support programs in agriculture as the primary reason the Doha round has not concluded. He feels, however, that pointing fingers and casting blame is not the answer. Rather, what is needed is persuasion. Chairman Su noted that the EY is determined to help conclude the round, recognizing that even though Taiwan's agriculture will have to endure some "bitterness", the overall benefits for Taiwan are definitely positive. He claims that Taiwan is relatively open-minded on its Doha position, but its G-10 partners are more vocal opponents of liberalization. Nonetheless, given the constant threat of pressure from China and as a relatively small member, Taiwan feels compelled to remain in a grouping like the G-10 for the support and assistance it can provide.

#### Cooperative Efforts on Apples, Rice, and Grain

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15. (SBU) Director Young acknowledged several specific issues and programs where recent developments illustrate the value of continued cooperation. One such issue is COA's initiative to review with USDA the current Apple Work Plan. USDA will send a team of experts to Taiwan in late June and we look forward to a constructive discussion.

16. (SBU) A second issue is Taiwan's March notification of its new rice tariff-rate quota to the WTO. The Director reaffirmed the U.S. agreement to help Taiwan address any objections that might be raised

by other WTO members and asked if there have been any questions raised in Geneva. Director General Chen Wen-deh of the International Cooperation Department said that Vietnam requested details on Taiwan's rice import policies. COA responded with a general description of import policies, but did not provide details of the new quota system as notified to the WTO. He said that COA has not yet received any comment from Egypt, but noted the comment period does not close until June 15.

17. (SBU) The Director also expressed his understanding of the difficulties current high grain prices place on COA and Taiwan's livestock producers. He said that AIT and U.S. industry groups will continue to provide updated market information to COA and Taiwan industry groups and have technical programs planned that offer price risk management training. Chairman Su said that corn prices have jumped from about NT\$5/kg to more than NT\$7/kg. This is close to Taiwan's own corn production cost of NT\$8/kg. He also noted the pressure to open Taiwan's market to Chinese corn and the likelihood that alternative feed sources will be developed. He suggested that should Taiwan producers switch to other suppliers or alternative inputs, it will be very difficult for the United States to recapture its current near total domination of a 4.5 million ton corn market.

#### Fisheries MOU: More time needed?

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18. (SBU) The Director raised U.S. concerns that Taiwan still needs to address specific conservation, management, and enforcement issues as identified in the joint work plan before the AIT/TECRO Fisheries MOU can be renewed. The existing MOU expires on July 30. The Director noted that Taiwan needs to work with a number of regional fisheries commissions, provide timely data on fish catch and by-catch, help conserve sharks as a targeted species and conserve turtles and sea birds as by-catch, adopt a plan of action concerning Illegal, Unreported, and Unregulated (IUU) fishing, and strengthen enforcement to combat IUU.

19. (SBU) Director General Hsieh Dah-wen of the Fisheries Agency noted that Taiwan's scale of operations is so large it may take time to comply with this list of requirements. For example, FAO has international plans-of-action for by-catch and Taiwan has its own national plans for sharks and sea birds. DG Hsieh noted that the

United States proposed a so-called shopping list related to regional fishery organization regulations at the March joint work plan meeting. Taiwan plans to make a counter-proposal and, while it intends to stick to the spirit of the current bilateral MOU with the United States, it must still manage these regional regulation issues multilaterally. DG Hsieh also made a plea for U.S. support for Taiwan's membership status in some of the regional organizations. Current observer status must be renewed every year.

¶10. (SBU) Comment: The exchange on WTO/Doha and apparent willingness by COA to consider making tough political choices on agriculture is a shift from its initial outright rejection of the U.S. Doha proposal on agriculture. It suggests there is an opportunity for a senior-level dialogue at both the upcoming TIFA and fall CCA on the options available to Taiwan to moderate its Doha position. End Comment.

YOUNG